

CONNECTICUT TEACHERS' RETIREMENT BOARD

21 Grand Street, Hartford, CT 06106

1-800-504-1102 www.ct.gov/trb

Notice About TRB and Medicare Prescription Drug Coverage October 19, 2005

This notice has information about your current prescription drug coverage with the Connecticut State Teachers' Retirement Board (TRB) and the new prescription drug coverage **through Medicare** (Medicare Part D) available on January 1, 2006. This will explain the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll in lieu of remaining in the TRB plans. It also tells you where to find more information to help you make decisions about your prescription drug coverage. **Please read this notice carefully and keep it with your permanent records.**

You may have heard about Medicare's new prescription drug coverage, and wondered how it will affect you. Starting January 1, 2006, the new Medicare Part D prescription coverage will be available to everyone **with** Medicare. All Medicare prescription drug plans will provide at least a minimum standard level of coverage set by Medicare. Some private plans might also offer more coverage for a higher monthly premium.

Is my current coverage through the TRB's prescription plan equivalent to or better than the Medicare Part D prescription coverage ?

Yes. The TRB has determined that the prescription drug coverage offered to you by the TRB's prescription drug plan is "on average" for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage will pay. **Because your existing TRB coverage is "on average" at least as good as standard Medicare Part D prescription coverage, you can keep your TRB coverage. If you decide later you want to enroll in Medicare Part D prescription coverage and drop the TRB plan, you will NOT incur a permanent lifetime penalty in your Medicare Part D premium, PROVIDED there is no lapse in prescription coverage.**

What are the consequences if I choose to enroll in the Medicare Part D prescription coverage?

You will remain in your TRB health coverage but will be dropped from your TRB prescription coverage. There will be no refund or reduction to your TRB premium. You will not be allowed back into the TRB prescription coverage until the next open enrollment period and will need to provide evidence that you have cancelled your Medicare Part D prescription coverage. There is no coordination in benefits between the TRB prescription coverage and the Medicare Part D prescription coverage.

What are my enrollment options?

- 1. Remain in the TRB health and prescription plans, no action required;**
- 2. Enroll in a Medicare Part D prescription plan between November 15, 2005 and May 15, 2006, and lose your TRB prescription coverage. You will still be obligated to pay the full premium (for health and prescription coverage) for the TRB plan you are in without being able to use the TRB prescription coverage;**

3. **Enroll in a Medicare Plan D prescription plan in a future year during the Medicare Plan D open enrollment between November 15 and December 31, and lose TRB prescription coverage. You will still be obligated to pay the entire plan premium (for health and prescription coverage) for the TRB plan you are in without being able to use the prescription coverage;**
4. **Make changes to or reenroll in a TRB health plan during the TRB annual open enrollment period in any October, effective the following January.**

How will I decide whether to remain in the TRB prescription plan or choose Medicare Part D prescription coverage?

Medicare Part D prescription coverage is different from the health coverage available under Medicare Parts A and B. To obtain prescription coverage under Medicare Part D, you will have to choose a plan from a private company. While there is standard coverage required by Medicare Part D prescription coverage, each private plan is likely to have unique attributes, including which drugs are covered, the level of co pays, and which pharmacies you can use. Accordingly, you should compare your current coverage and cost with the coverage and cost of the plans offering Medicare Part D prescription drug coverage in your area.

If you are a single individual with income of \$15,000 or less per year or a married couple with joint income of \$20,000 or less per year extra help is available for paying for a Medicare prescription drug plan. For more information about this extra help, please visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778). If you qualify for this extra help thru social security, you should cancel your TRB prescription plan. TRB, 21 Grand Street, Hartford, CT 06106

The following are the basic components of the TRB and standard Medicare Part D prescription plan:

TRB Plan

1. Deductible: \$250 per year.
2. **Mail Order:** Co-Insurance: Individual pays 15% of the cost for generic drugs, 20% of the cost for preferred brand name drugs, and 30% of the cost for non-preferred brand name.
Local Pharmacy: Co-Insurance: Individual pays 20% of the cost for generic drugs, 25% of the cost for preferred brand name drugs, and 35% of the cost for non-preferred brand name.
3. Coverage Gap: None.
4. Catastrophic Coverage: After the individual pays \$1,000 (this includes the deductible of \$250) out of pocket, individual pays nothing for the remainder of the year.

Medicare Part D (standard required attributes)

1. Deductible: \$250 per year.
2. Co-Insurance: Individual pays 25% (\$500) of the costs for total drug purchases for the next \$2,000 per year.
3. Coverage Gap: Individual pays 100% (\$2,850) of the cost of total drug purchases for the next \$2,850 per year.
4. Catastrophic Coverage: After individual pays \$3,600 out of pocket, individual pays 5% of the additional cost for the remainder of the year.

For individuals who use generic drugs, the TRB coverage will generally be less costly to the individual. For non-preferred name brand drugs, the relative costs will depend on the volume used: low volume users of non-preferred drugs may have a lower cost under Medicare Part D, whereas those with high volume usage will pay more under Medicare Part D. **Reminder: If you drop prescription coverage through TRB you will lose the prescription coverage but will still incur the premium.**

Is there a penalty if my TRB coverage lapses and I enroll in the new Medicare Part D Plan late?

Yes. If you drop or lose your coverage with TRB and do not enroll within 63 days in a Medicare prescription drug plan, you will be subject to a permanent lifetime penalty by enrolling in a Medicare prescription drug plan after the May 15, 2006 (the initial Medicare Plan D enrollment deadline). Your Medicare Part D monthly premium will increase at least 1% per month for every month after May 15, 2006 that you did not have prescription coverage. For example, if you are without prescription coverage for nineteen months, your premium will always be at least 19% higher than normal cost.

Who do I contact for more information about this notice?

For further information about this Notice or about your current prescription drug coverage, you may contact the Benefits Division of the TRB at (860) 241-8413.

Note: You may receive this notice at other times in the future, especially if this coverage changes. This notice is available on our website www.ct.gov/trb or you also may request a copy

How can I get more information about my options under Medicare prescription drug coverage?

More detailed information about Medicare plans that offer prescription drug coverage are available now in the "Medicare & You 2006" handbook. You will receive a copy of the handbook in the mail from Medicare. You may be contacted directly by Medicare prescription drug plans. You can obtain more information about Medicare prescription drug plans from these places:

- Visit <http://www.medicare.gov/> for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.